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An Empirical Analysis of Constraints to Entrepreneurship Development in Nigeria: Policy and Practice Perspectives

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Abstract: *Entrepreneurship, particularly through Small and Medium Enterprises (SMEs), plays a vital role in the socio-economic development of nations. However, in Nigeria, the growth of entrepreneurial ventures continues to be hindered by multiple systemic barriers. This study investigates the major constraints affecting entrepreneurship development (ED) in Nigeria and explores their implications for policy and practice. Drawing on empirical data, the study identifies key entrepreneurial competencies such as leadership, strategic decision-making, risk-taking, and efficient management as essential drivers of entrepreneurship growth. The analysis further reveals that financial limitations, weak institutional support, human capital deficits, infrastructural decay, technological constraints, and political instability are among the most significant barriers impeding entrepreneurship in the country. The study concludes that these challenges collectively suppress the expansion of SMEs and weaken Nigeria's potential for inclusive economic development. It recommends strategic policy interventions, including improvements in infrastructure, regulatory simplification, access to finance, entrepreneurial education, venture capital development, and the creation of a stable economic and political environment. Addressing these barriers will help foster a more enabling ecosystem for entrepreneurship, driving innovation, employment, and sustainable economic growth.*

Keywords: entrepreneurship development, barriers, SMEs, economic growth, Nigeria, policy, innovation.

INTRODUCTION

Entrepreneurship has gained significant global recognition for its pivotal role in driving innovation, fostering job creation, and contributing to sustainable economic growth. It is widely acknowledged that individuals with entrepreneurial capabilities can generate economic and social value at various levels of society (European Commission, 2016; Ballier & Volkmann, 2018). Entrepreneurs are catalysts of change, applying creativity, strategic thinking, and resilience to identify and exploit opportunities, develop new products and services, and create competitive enterprises (Eastward, 2018). Accordingly, fostering entrepreneurial activity has become a strategic imperative for both developed and developing economies.

In developing countries like Nigeria, entrepreneurship is seen as a viable mechanism for addressing pervasive issues such as unemployment, poverty, and slow industrialization. Yet, despite the acknowledged importance of entrepreneurship, its development remains sluggish due to numerous structural and institutional constraints. While foreign direct investment (FDI) has historically played a significant role in bridging economic gaps, there is growing recognition that sustainable development in Nigeria must also be internally driven particularly through the strengthening of indigenous entrepreneurial capacities (Global Entrepreneurship Monitor, 2018).

The slow pace of entrepreneurial growth in Nigeria is widely attributed to a confluence of barriers. Myrdal (2021) argues that underdevelopment is less about resource scarcity and more about mindsets and attitudes toward enterprise and innovation. Hanfank (2017) classifies barriers to entrepreneurship into environmental, personal, and societal categories, which include but are not limited to inadequate access to finance, bureaucratic regulatory frameworks, weak institutional support, deficient entrepreneurial education, low risk tolerance, and infrastructural inadequacies. These challenges severely constrain entrepreneurial performance and contribute to high rates of business failure, particularly among small and medium-sized enterprises (SMEs), which form the bedrock of Nigeria's entrepreneurial ecosystem.

The empirical realities in regions such as Plateau State illustrate the severity of these barriers. The researcher observed that a large proportion of SMEs especially those in manufacturing sectors such as footwear, cosmetics, and small-scale breweries rarely survive beyond two years of operation. Key inhibiting factors identified include limited access to capital, technical skill deficits, poor infrastructure, limited technological adoption, and regulatory bottlenecks. Entrepreneurs often face substantial hurdles in accessing finance from banks, venture capital providers, and government funding programs due to information asymmetry, stringent lending criteria, and a general aversion to risk.

Moreover, institutional and administrative challenges further compound the problem. A complex tax regime, excessive licensing procedures, and cumbersome permit systems increase the cost and complexity of doing business. Labour regulations and bureaucratic inefficiencies discourage formalization and expansion, pushing many businesses into the informal sector where growth is severely limited. Cultural constraints and the absence of a global entrepreneurial mindset further hinder innovation, ambition, and competitiveness among local entrepreneurs.

In terms of human capital, the lack of entrepreneurial skills especially in digital technologies and innovation-driven competencies poses a significant limitation. The inability of entrepreneurs to conceptualize viable business models, validate markets, or scale operations is a major reason many startups fail. The shortage of skilled talent, particularly in ICT and technical fields, inhibits the growth and transition of businesses from startup to maturity.

Given these multifaceted challenges, this study seeks to empirically investigate the barriers to entrepreneurship growth in Nigeria, with particular attention to policy and practice perspectives. By identifying and analyzing these constraints, the study aims to offer practical recommendations that can inform policy reforms, institutional strengthening, and targeted support mechanisms for entrepreneurs. Ultimately, the goal is to contribute to the creation of a more enabling entrepreneurial ecosystem that can drive inclusive and sustainable economic development in Nigeria.

LITERATURE REVIEW

Concept of Entrepreneurial Development (ED)

Entrepreneurial Development (ED) refers to the structured and strategic process of enhancing the capabilities, skills, and competencies of individuals and institutions to initiate, manage, and sustain successful business ventures. The growing academic and policy interest in entrepreneurship over the past decades is largely driven by its critical role in job creation, innovation, wealth generation, and inclusive economic growth. Scholars such as Bowen and Dwer (2017) emphasize that entrepreneurship has become a strategic tool for global economic transformation, particularly in regions facing chronic unemployment, poverty, and sluggish industrialization. Jhauen and Frehen (2017) further observe that entrepreneurial development has received global recognition, as governments increasingly acknowledge its potential in driving sustainable development. Similarly, Hender and Gabriela (2018) argue that the global attention given to entrepreneurial development stems from its centrality to economic dynamism and societal resilience.

From a functional standpoint, entrepreneurial development includes activities aimed at building entrepreneurial capacity among existing and aspiring entrepreneurs. Ohan and Trendy (2017) describe entrepreneurship as a catalyst for socio-economic transformation and note that the impetus behind global campaigns for entrepreneurial development lies in its ability to foster economic inclusivity and innovation. In line with this view, Osemeke (2018) defines entrepreneurial development as the set of actions and initiatives designed to promote entrepreneurship by equipping individuals and groups with relevant knowledge, skills, attitudes, and motivations. These initiatives often include formal training, leadership development, mentoring, access to finance, and institutional support systems.

Loapord and Henry (2018) further extend this perspective by asserting that entrepreneurial development efforts should also attract non-entrepreneurs by creating interest and awareness about entrepreneurial opportunities. They argue that development efforts should involve institutional capacity building, educational reform, access to critical infrastructure, and the provision of financial instruments such as microcredit and long-term funding. Bhuada and Vont (2018) support this view by highlighting the importance of structured institutional frameworks, conducive policies, entrepreneurship-friendly infrastructure, and strategic investment in human capital.

In the context of Small and Medium Enterprises (SMEs), which form the backbone of most developing economies, entrepreneurial development plays a particularly vital role. Loapord and Henry (2018) note that in many countries, ED has been designed as a programmatic response to stimulate entrepreneurial behavior and economic participation among micro, small, and medium-sized business owners. These interventions often aim to address the asymmetries in resource access, knowledge gaps, and institutional bottlenecks that hinder the performance of SMEs.

To contextualize entrepreneurial development further, it is imperative to consider the unique challenges of developing countries. A developing country is often characterized by low per capita income, weak industrial base, infrastructural deficits, high unemployment, and low Human Development Index (HDI) ratings (World Bank, 2016). Nathaniel and Kholyn (2018) explain that a developing nation is one in which the majority of the population lives on relatively low income and lacks access to basic public services, including education, healthcare, and social security. These socio-economic characteristics significantly influence the pace and direction of entrepreneurial development in such contexts.

Covensiou and Zhander (2018) argue that the level of entrepreneurship within a country is closely tied to its economic performance, noting that limited entrepreneurial activity correlates with lower national income and higher poverty rates. Similarly, Edward and Sireny (2018) identify low literacy rates and weak educational systems in developing countries as major impediments to entrepreneurial growth, as these limit individuals' abilities to acquire the necessary skills for enterprise creation and innovation. Kink and Zhwan (2018) discuss the historical evolution of entrepreneurial activity in developing countries, highlighting early reliance on import substitution strategies and subsequent shifts toward export-led growth. They note that these policy approaches, while well-intentioned, often relied heavily on state intervention and failed to encourage genuine private sector-led entrepreneurship.

In recent years, however, many developing countries have begun to reform their business environments to make them more conducive to entrepreneurship. These reforms include deregulation, tax incentives, access to startup capital, and improved infrastructure, all aimed at stimulating the entrepreneurial ecosystem and supporting SMEs.

It is also necessary to define SMEs more precisely within this discourse. Despite variations in definition across countries and industries, SMEs are generally categorized into micro, small, and medium-sized enterprises. According to Xinjin and Joan (2018), micro-enterprises typically employ fewer than 10 people; small enterprises have between 11 and 50 employees; and medium enterprises may employ up to 250 people, depending on sectoral and national classifications. In the Nigerian context, the Central Bank and the Small and Medium Enterprises Development Agency (SMEDAN) use similar criteria, often incorporating asset thresholds and annual turnover in their definitions.

The World Trade Organization (WTO) classifies SMEs based on capital investment and workforce size. Massion and Throne (2018) note that, in developing countries like Nigeria, SMEs often operate with less than $200 in total assets and fewer than 20 full-time employees. The European Commission (2016) similarly categorizes SMEs based on turnover and employee count, with the upper threshold for turnover set at €150 million.

Despite their size, SMEs account for a significant share of employment and GDP in most developing countries. Their agility, local market knowledge, and potential for innovation position them as crucial players in national development strategies. This study focuses specifically on SMEs in Jos North Local Government Area of Plateau State, Nigeria, exploring the entrepreneurial development constraints within this microeconomic environment.

In summary, entrepreneurial development is a strategic and multi-dimensional process involving capacity building, systemic support, and enabling environments. In developing countries like Nigeria, this process is closely linked to the performance and growth of SMEs. Understanding the nature, challenges, and opportunities of entrepreneurial development within this segment is critical for formulating effective policies and interventions that foster sustainable economic growth.

Barriers to Entrepreneurial Development

Barriers have been described over time as any conditions that lie in any operational situation making it quite difficult to make progress or achieve an objective following the system and environment of practice (OECD, 2016). Bolanle and Shueg (2017) however viewed them as problematic circumstances from within or outside, posing problems to the reaching of an entity. More so, any constraint limiting the means of ‘doing business’ is what Bolanle and Sheug (2017) referred to as barriers of such a business. Furthermore, they highlighted some of these barriers to include: Lack of Fund, lack of skilled labour, lack of good machinery, non-availability of raw material, lack of infrastructure, lack of infrastructure facilities is a major barrier to the growth of entrepreneurship, particularly in underdeveloped and developing economies. The infrastructural facilities include land and building, adequate and cheap power, proper transportation, water, and drainage facilities, etc., other environmental barriers, personal barrier, lack of motivation, unwillingness to invest money, lack of patience, lack of confidence, inability to dream, social barriers, custom and tradition of people and low status where the society thinks that entrepreneurs are the people who exploit society. Thus the attitude of the society towards entrepreneurs is not positive.

Thus, the sections present the general barriers and specific barriers confronting ED in the Nigerian SMEs.

i. *Lack of Access to Finance*: The opportunity for entrepreneurial SMEs to access finance help them to gain a strong position in the market. Entrepreneurial ventures globally face difficulties in accessing. (Charles & Maduike, 2017). This is a major problem affecting their ability to grow, develop and contribute to economic development (Gabsion, 2017). The problem does not appear to be so much of lack of funds but rather how these ventures access finance (Halabula & Gisaing, 2017). Available funds are often diverted to the larger enterprises and only an insignificant number of entrepreneurial SMEs are able to attract bank loans (Ogundele & James, 2012). The limited track record, incredibility and lack of collateral protecting the high risks involved and small loan size demanding high transactions cost, are the principal factors influencing the negative attitudes of the banks (Westhead & Wright, 2016). Entrepreneurial SMEs with little or no collateral may find it impossible to access loans from formal financial institutions. In addition, moral hazards financial constraints such as screening, monitoring, and enforcement compel financial institutions to levy higher interest rates that prevent potential entrepreneurial SMEs from borrowing or put in jeopardy if they do so (Lacle, 2010). Along the same lines, the processes of lending, and receiving money from the borrowing party do not occur at the same time in the credit market, and the longer the time interval the greater the risks (Nigrini & Schoombee, 2002). This reduces SMEs chances of securing credits from the commercial banks. For instance, a study conducted in 32 Nigerian SMEs showed that lack of finance is the major constraint to their development (Mambula, 2002). Another study done in Russia by Zhuplev and Htykhno (2009) indicated that inadequate funds for start-up and existing entrepreneurial SMEs are major barrier. This is corroborated by the Economic Commission for Africa (2001), who stated that entrepreneurial SMEs access to finance remains a major problem particularly in Cameroon, Cote d'Ivoire, Ethiopia, Gabon, Kenya, Namibia, Nigeria, Senegal, and Uganda. In South Africa, for example, banks are unwilling to deal with SMEs for three main reasons: Firstly, it is seen as too risky, secondly, the costs involved are normally seen as very high and thirdly the profit from SME loans is very low (Nigrini & Schoombee, 2002).

Literature has shown that most of the entrepreneurial SMEs raise funds from personal savings, friends, family members and other close relatives. Consequently, resulting in insufficient start-up and working capital and this endangers their survival, growth, and development. The high death rates of these ventures, their susceptibility to market changes, economic unsteadiness and the inadequate information on the performance of entrepreneurial businesses, make banks see their

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operations as risk-prone and as such find it difficult to transact any meaningful business with them. Moreover, banks obtain information about potential debtors at a cost. At the same time reputation is an essential element of credit-worthiness. The high cost involved in getting information and demonstrating reputation limits the accessibility of small firms to credit (Diamond, Chab & Vhendic, 2018).

ii. ***Lack of Information/Knowledge:*** Entrepreneurial SMEs inability to access information needed for their development has been seen as a major obstacle (Rothwell & Beesley, 2017). A study conducted by Goedhuys and Sleuwaegen (2010) in 230 Ghanaian manufacturing firms, showed that high transaction costs and lack of information in the financial markets caused resources to drift away from the small firms towards large firms. Lack of information between lenders and borrowers makes it difficult for banks to access the true value of enterprises and this may lead to credit being rationed (Stiglitz & Weiss, 2017). The rationing in most cases works against SMEs. It is worth noting that financial institutions' inability to obtain information on the operations of SMEs serves as a risk for credit. As a result, lending institutions tend to increase the interest charged (Economic Commission for Africa, 2016). Also significant is the fact that most of the entrepreneurs lack adequate knowledge to make better decisions with regards to training and skills acquisition. This is to say that for entrepreneurial to be successful they must have specified qualities coupled with skills regarding the technical aspects needed to have a business (Ogundele & James, 2012). Globally, the acquisition of knowledge seems to be a problem due to lack of clarity to locate reliable and current concepts and data (Robertson, 2008).

iii. **Lack of Skilled Workers and management skills:** Lead and Oakley (2019), noted the necessity for entrepreneurial SMEs to develop business and management skills throughout their business life cycles. However, lack of skilled labour is a serious problem affecting the development and growth of entrepreneurial SMEs (Kallon, 2017). The quality instead of the number of workers greatly impacts the development of these ventures. This is evident in the manufacturing subsector where they operate in the so called '3D' sectors: dirty, difficult and dangerous (Albaladejo, 2014). Skilled labour is labour that functions at an advanced level and has the potential to generate new ideas and methods in economic activity. It is this type of labour force that forms the seedbed for entrepreneurial activities. But it requires improvement through management training to enhance the human capability and growth of entrepreneurial ventures. Nevertheless, regardless of the compelling pieces of evidence of well-educated entrepreneurs, there is a deficiency of skilled workers and management skills within the entrepreneurial ventures (Staniewski & Onyebinama, 2016). Kiggundu (2016) concluded that the low levels of education of black entrepreneurs turn out to be a competitive disadvantage. For instance, most small enterprises especially in the developing countries have less access to foreign machinery and those that do may not be able to exploit it extensively for lack of adequate skills (Bhalla, 2015). Another notable example is Lebanon where entrepreneurial SMEs are handicapped by lack of skilled workers exacerbated by brain drain (Staniewski & Onyebinam,., 2016). In this respect, Heeks and Duncombe (2001) maintained that, what is of great importance to entrepreneurial ventures is information on how to get skilled workers. In other words, lack of skilled personnel among entrepreneurial ventures impedes their development and growth.

iv.

v. **Lack of Infrastructure:** Rothwell and Beesley, (2017) also observed that economic performance and competitiveness of entrepreneurial ventures are enhanced through high-quality basic infrastructures. The foregoing authors further maintained that physical and information technology infrastructures comprise among others, a good and maintained road network, airports, and seaports, a stable power supply, and an extensive telecommunications network. By reason of this premise, the absence of a high-quality physical infrastructure has contributed to the poor growth of entrepreneurial ventures, particularly in the developing countries. Infrastructures such as good roads, electricity, telecommunication, and transportation are central to the development of entrepreneurial ventures. It is difficult to build a successful business without electricity, telephones and a water supply. Evidence has shown that governments in developing countriesespecially those from Sub-Saharan Africa have made little progress in promoting delivery services for infrastructural development (World Bank, 2015). Ogundele and James (2012) examined the infrastructures of thirteen African countries. The analysis of their study indicates as follows: Nigeria lacks a good road network in the rural areas and only 40% of the populations have access to pipe borne water. In spite of the fact that the country is rich in oil, the electricity supply is poor especially in the rural areas and telecommunications facilities are hardly present. The problem of land scarcity and its high cost for industrial purposes is a major barrier to the development of entrepreneurial ventures. Furthermore, there are insufficient waste disposal services and an improper administration for infrastructure services. Additionally, Uganda entrepreneurial ventures also suffer from undependable telecommunication services. The roadsare bad especially in rural areas, and power cuts and power fluxes are the order of the day. Finally, Cameroon and Gabon suffer from the problem of poor roads and railways, particularly those linking the production centers and markets.

v. Escalating Corruption: The escalating volume of corruption and inflation, among other things, were also some of the threats posed in the absence of strong financial systems to the development of entrepreneurial ventures (Staniewski & Onyebinama, 2016). Empirical evidence on the impact of corruption on entrepreneurial ventures revealed varied findings. For instance, the United Nations (2006) found that corruption is one of the principal obstacles affecting the development of entrepreneurial ventures. In another study, Transparency International (2009), in their Global Corruption Report revealed that about 70% of the entrepreneurial ventures ascertained that corruption is a major barrier to their development when compared to 60% of their larger counterparts. This view is shared by Bhalla, (2015) that corruption is amongst the principal factors affecting entrepreneurial ventures in Lebanon. The findings of Staniewski and Onyebinama (2016) showed that corruption in Nigeria contributed to the diversion of the support programmes from the proposed target entrepreneurial ventures. Similarly, Kiggundu (2016) found that corruption negatively affects the volume of investment. Referencing Gray and Kaufmann (2015), the preceding author further maintained that corruption raises a firm's investment costs. Nuhuahaju and Masen

(2015) and Mauro (2017) shared the same view by stating that corruption brings down private investment, consequently hampering economic growth. Along the same of reasoning, Williams, et al (2017) in their study of the impact of corruption on the entrepreneurial ventures in the transition economies concluded that these ventures are exposed to corrupt practices occasioned by complex procedures and frail informal institutions. Correspondingly, Kallon (2017) in an empirical analysis of the impact of corruption on entrepreneurial SMEs in Sierra Leone maintained that the increase in a firm's investment costs as a result of corruption has a devastating effect on small firms as compared to large firms. He supported his argument by giving two reasons. Firstly, large firms in Sierra Leone have the potential to pass part of the corruption costs to their customers. Secondly, by buying inputs from large enterprises small firms pay corruption costs. Along the same line of thinking, Okpara, (2016) in his study of 211 lifestyle SMEs ventures concluded that corruption is a limitation hampering the development and survival of these ventures. In some countries, financially strong nascent entrepreneurs used bribes to fast-track the process of becoming a legal entity (Arnader, 2015). The preceding submission is supported by the tollbooth theory that the collection of bribes is being exacerbated by entry regulation (Ibrahim and Inusa, 2017). Implying that the poor would be entrepreneurs may find it very difficult to establish their ventures as a legal entity.

Contrastingly, Dreher and Gassebner (2018) found that corruption is good for the development of entrepreneurial ventures. Their justification is based on the empirical analysis of 43 countries between 2016 and 2018 which revealed that, corruption is good for entrepreneurial ventures in an extremely governed economy system. The implication of their study is that corruption has a positive effect on entrepreneurial ventures in poorly regulated economies.

vi. Policies/Law and Regulations: There are compelling and substantial shreds of evidence regarding the adverse impact of regulatory and administrative burdens on entrepreneurial ventures. The excessiveness and inflexibility of laws and regulations affect entrepreneurial ventures in several ways. As a case in point, compliance with complicated laws and regulations consume much time, money and effort which most entrepreneurs are not able to offer. Furthermore, overpriced regulations, the complicated laws, and regulations will discourage survival and lifestyle entrepreneurs from starting a business or registering an existing one. This will reduce these ventures chances of accessing finance from the banks as well as technical support and other promotional programmes (Klapper, 2016). As an example, a study conducted by Martins, (2017) in Portugal, France, Italy, and UK revealed that numerous legal forms of ventures, having varied policies, prerequisites in addition to registration are entry barriers. By the same token, the difficulties of establishing a new venture in some nations where the entrepreneurs can register a venture in just a day in comparison to other nations where they need about 20 weeks to register a venture. Another study conducted in Tanzania by Bullody (2017) indicated that SMEs licenses must be renewed annually. He further stated that obtaining clearance and renewals of licenses consumes the limited time of the entrepreneurs, and in a situation where clearances have not been secured, the entrepreneurs are at the mercy of the licensing officials.

Finally 7 of 13 interviewees stated that “lubrication” is needed to complete license formalities each year. Again, the effect of policies/law and regulations on entrepreneurial ventures showed different results. In that regard, Djankov, (2016) following the public interest theory of regulation hold the view that countries with tough regulations force entrepreneurial ventures to produce products of higher quality.

vii. Cultural and social barriers: Culture is a major barrier that impacts entrepreneurial ventures in many ways. It influences a blanket of economic actions including but not limited to the choice to become self-employed instead of being an employee (Juvick & Urithun, 2015). Sharing the same opinion, Shaward (2016) stated that employed parents forced their children to engage in secured and gainful employment. As a result, destroy the entrepreneurial intentions of their children at a very early age. Intention urges people to take action. The development of entrepreneurial ventures entails motivations including, but not restricted to profit-seeking, gaining of respect and achievement of social prestige. Motivated entrepreneurs will have the great courage to assume risks and engage in innovative activities on the account that these intentions are very strong. The robustness of the stated intentions heavily rests on the culture of the community. In countries with economically or monetarily oriented culture, entrepreneurial activities are adored and appreciated. On the contrary, in underdeveloped economies, people are not economically motivated. Financial motivations are not so attractive and the majority of the people achieve social difference by means of non-economic pursuits. As a consequence, people with organizational capabilities are de-motivated to engage in entrepreneurial activities. Instead, they prefer to use their expertise for a non-economic end (Narry, 2018). As maintained by Shane (2018), the social-cultural surrounding impacts the misuse of entrepreneurial opportunity through its effect on the attractiveness, supposed risks and returns of entrepreneurial activities. The cultural and social barriers affect the exploitation of entrepreneurial opportunity in a number of ways. Firstly, the social and cultural norms impact the extent to which an entrepreneurial activity is seen as a social necessity amongst the members of a certain community (Fidrich & Gyol, 2024) In particular, the attitude towards profit making by means of making use of the recognized opportunity heighten the willingness to engage in entrepreneurial activities. On the other hand, pessimistic viewpoints may serve as barriers to engage in entrepreneurial activities (Wogehl & Ian, 2025). This is because the behaviour of people is being influenced by the way people perceived them Sianeru & Hu (2016). By the same token, in countries with the culture of spending moderately but saving more for bad times hampers entrepreneurial activities. This is due to the fact that the proceeds generated by the sales of the products and services are not attractive when compared to returns from gainful employment (Edwards & Rwengid, 2016). Besides, the growth of entrepreneurial ventures is constrained in countries where it is believed that making an extraordinary profit is immoral.

viii. Economic influences and the market: The economic circumstances of any country are one of the major factors affecting entrepreneurial ventures. The weak purchasing powers of the population demonstrated by the earning power as well as the economic affluence of the country determine the

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extent to which entrepreneurial ventures could be successful. During economic contraction, the purchasing power of the people falls. This will make potential entrepreneurs more unwilling to invest, which may seriously devastate entrepreneurial activities. Entrepreneurial opportunities are limited in non-monetary countries where people depend on hunting, gathering and subsistence agriculture for their survival (Nayab & Edwards, 2016). Contrarily, the role and significance of market and the process of marketing are crucial to the development of entrepreneurial ventures. In present-day competition, it could be difficult for entrepreneurial ventures to withstand the test of time and succeed with inadequate market and marketing methods awareness (Narry, 2018). Titus, (2024), maintained that entrepreneurial ventures limited access to the market decrease their growth capability, implying that sufficient market access is one of the important contributing factors to the growth and performance of the ventures under review.

ix. Poor record keeping: Banch and Dloof (2017) stated that record keeping is indispensable to making a good administrative decision, stability and fairness, neutrality, non-stop learning and development, and efficient management of risk. Excellent record keeping is critical and significant for all business ventures (Pyongym, 2017). A view shared by Phewhen (2016) and Hughes (2023) who revealed that record keeping is central to the management and successful performance of any business venture. A blanket record keeping process enables entrepreneurial ventures to produce correct and up-to-date financial reports that provide an understanding of the development and present status of the venture. Hence, it is imperative these ventures keep accurate records in the interest of making good and apt decisions. In studying entrepreneurial ventures in Sierra Leone (Khabiam, 2019), found a significant positive relationship between record keeping and sales as well as wages. This means that good record keeping guarantees performance. A major problem facing most of the entrepreneurial ventures is the lack of sufficient knowledge of record keeping (Syracus, 2024). Poor record keeping is amongst the principal reasons for the premature death of entrepreneurial ventures. Inferior record keeping makes entrepreneurs incapable to track their ventures, thus restricting their aptitude to uncover and solve problems quickly (Mphambela, 2017). A fieldwork done by Kanu (2017) revealed that most entrepreneurial SMEs practiced informal record keeping of all forms of business transactions, a practice that jeopardizes the long-term success and development of SMEs. Okoli (2015) opines that poor recording prevents lifestyle entrepreneurs to do a thorough evaluation of their performance. Poor record keeping practice has resulted in operational losses amongst a plethora of entrepreneurial SMEs and acts as an internal barrier to their business growth (Tushabomwe-Kazooba, 2016). Added to the above entrepreneurial barriers, Analoui and Karami (2018) identified additional barriers to the growth and sustainability of entrepreneurial ventures including improper business feasibility, lack of investment, poor marketing strategies, cash flow problems, disappointing sales, obsolete technology, poor planning or lack of business experience, expansion beyond resources, failure to diversify markets, lack of marketing research, increasing competition, legal problems, nepotism, one person management, lack of technical competencies and absentee management.

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CONCLUSION AND RECOMMENDATIONS

This study set out to provide a comprehensive analysis of the constraints hindering entrepreneurial development (ED), with particular emphasis on small and medium-sized enterprises (SMEs) in Nigeria. The review underscores the indispensable role that entrepreneurial activities play in driving employment, innovation, poverty alleviation, economic decentralization, and curbing rural–urban migration. Despite this critical role, SMEs in Nigeria and many developing economies continue to grapple with a multitude of systemic and structural barriers that impede their capacity to thrive and contribute meaningfully to socio-economic development.

The findings from the study clearly identify several core challenges to entrepreneurial growth. Chief among these are limited access to finance, inadequate infrastructure, insufficient entrepreneurial and managerial skills, regulatory bottlenecks, corruption, and information asymmetry. These constraints not only diminish the growth potential of entrepreneurial ventures but also perpetuate poverty, unemployment, and economic stagnation, particularly in underserved regions.

Moreover, the inability of most SMEs to access formal financial institutions due to perceptions of high risk, poor collateral frameworks, and weak business planning poses a significant constraint on their scalability and long-term viability. Similarly, infrastructure deficits such as poor road networks, unreliable power supply, and weak telecommunications infrastructure continue to inhibit entrepreneurial productivity, market access, and integration into global value chains.

The study concludes that without deliberate, holistic, and coordinated policy interventions, these barriers will continue to stifle entrepreneurial dynamism and constrain Nigeria’s economic diversification agenda. The sustainability and impact of entrepreneurship development initiatives will depend on the ability of stakeholders to adopt inclusive, flexible, and forward-thinking strategies that address both the structural and institutional limitations of the entrepreneurial ecosystem.

In light of the findings, the following recommendations are proposed:
i. Government at all levels should undertake robust policy reforms aimed at simplifying business registration processes, reducing bureaucratic hurdles, and eliminating multiple taxation regimes that discourage SMEs. A dedicated institutional framework should be established to oversee and harmonize entrepreneurship development efforts across ministries and agencies.
ii. Financial institutions should design flexible and low-interest credit products tailored to the needs of SMEs. Venture capital, crowdfunding platforms, and government-backed loan guarantee schemes should be expanded to bridge the financing gap and reduce entrepreneurs' dependence on informal financing.

iii. Stakeholders, including educational institutions, should prioritize entrepreneurial education and training. Programme focusing on business planning, innovation, digital literacy, financial management, and leadership should be incorporated at all academic levels and within community-based training initiatives.

iv. The government should prioritize investment in physical and digital infrastructure. Improving power supply, internet connectivity, transport networks, and logistics systems is crucial for creating an enabling environment for SMEs to thrive.

v. Strengthening transparency and accountability mechanisms in public procurement, licensing, and funding schemes will reduce rent-seeking behavior and build trust in government-supported entrepreneurship initiatives.

vi. Expand financial literacy programs and digital banking access to rural and marginalized populations. Mobile money and agent banking should be leveraged to integrate informal entrepreneurs into the formal financial system.

vii. Incentivize innovation through grants and tax breaks for startups engaged in research and development (R&D), especially in technology, agriculture, and manufacturing. Establish incubators and hubs to support early-stage businesses.

viii. Policy makers, private sector leaders, civil society, and academia should collaborate to develop a unified national entrepreneurship development strategy with measurable outcomes and feedback mechanisms.

Addressing the identified constraints through these policy and institutional interventions will enable Nigeria to unlock the full potential of its entrepreneurial sector. A vibrant and inclusive entrepreneurship ecosystem is not only critical for job creation and poverty reduction but also central to achieving long-term economic resilience and sustainable development.

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